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IN THE

Supreme Court of the United States

No. 682

GEORGE SPECTOR, *Petitioner*,

v.

DAVID L. LADD, COMMISSIONER OF PATENTS,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

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TO THE HONORABLE THE CHIEF JUSTICE AND THE ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

George Spector, respectfully prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the District of Columbia Circuit, entered on October 26, 1961, affirming a final judgment of the United States District Court for the District of Columbia entered on April 21, 1961, affirming the order of the First Assistant Commissioner of Patents, excluding the petitioner from practice

as a patent agent in any application before the United States Patent Office, without prejudice to his registration after one year and after full compliance with the requirements of Rule 341, as in the case of one seeking registration who has not been previously registered.

JURISDICTION

The Jurisdiction of this Court is invoked under Title 28, United States Code, Section 1254 (1).

QUESTIONS PRESENTED

I. Does the authority contained in Title 35 U.S.C. § 31, authorizing the Commissioner of Patents to promulgate regulations permit the Commissioner of Patents, as in Rule 345 of the Rules of Practice of the Patent Office, to regulate the conduct of those recognized for practice before the Patent Office, in matters which do not involve appearance before the Patent Office?

II. Does Rule 345 of the Rules of Practice of the United States Patent Office proscribe advertising by registered patent agents of any of their professional services not involved in the prosecution of the patenting of inventions?

III. Does Rule 345, which is vague and indefinite as to the scope of the term "Patent Business" effectively deny to petitioner the due process guaranteed by the Fourteenth Amendment to the Constitution of the United States by reason of its failure because of vagueness and indefiniteness to provide suitable and reasonable guides of conduct to those whose activity is regulated thereby.

IV. May The United States Patent Office, after a decision rendered upon an administrative hearing, subsequently publish and enter an order enlarging the decision rendered after hearing and which is not in conformity with said Decision?

STATEMENT OF THE CASE

Petitioner, George Spector, is a professional engineer, licensed by the State of New York and maintains offices for his engineering practice at 3615 Woolworth Building, 233 Broadway, New York City. Prior to August 10, 1960, petitioner was an agent registered to practice before the Patent Office, registration number 16,944, and maintained an office for his patent office practice at 2323 64th Street, Brooklyn, New York.

On November 16, 1959 (J.A. p. 2) and on February 4, 1960 (J.A. p. 4) the Solicitor of the Patent Office preferred charges against petitioner alleging that the petitioner had violated provisions of Rule 345 of the Rules of Practice of the Patent Office by causing to be published certain advertisements to solicit patent business. Petitioner, by affidavit, denied these charges, and, pursuant to Rule 348(d) of the Rules of Practice of the Patent Office, a hearing was held on May 10, 1960, before the First Assistant Commissioner, and which hearing, petitioner appeared *pro se*.

In his decision published June 30, 1960 (J.A. p. 50), the First Assistant Commissioner determined that petitioner be suspended from practice for a period of one year.

On August 10, 1960, by his Order No. 5308, the First Assistant Commissioner of Patents excluded appellant from practice for one year and further provided for

the registration of appellant after one year; after full compliance with Rule 341 and as in the case of one seeking registration who had not previously been registered.

In Civil Action No. 2951-60, in the U. S. District Court for the District of Columbia (J.A. p. 58) petitioner filed a petition for review pursuant to provisions of Title 35, Section 32 of the United States Code and on April 21, 1961, the District Court sustained Order No. 5308 of the First Assistant Commissioner of Patents.

Thereafter, petitioner, pursuant to Title 28, Section 1291 of the United States Code, took appeal from the decision of the District Court to the United States Court of Appeals for the District of Columbia Circuit in Appeal No. 16443 (J.A. p. 68), and on October 26, 1961, the Court of Appeals affirmed, *per curiam*, the decision of the District Court.

The petitioner admits that the advertisements shown in Exhibits A, E, and F (J.A. pp. 3, 11, 12) were placed by him in the indicated publications for the purpose of promoting his engineering practice and invention development business maintained in his Woolworth Building Offices. No evidence of probative value was adduced at any hearing to establish that petitioner obtained any employment as a registered patent agent which business was conducted from his Brooklyn offices, from these advertisements.

The decision of the First Assistant Commissioner; of the U. S. District Court and the U. S. Court of Appeals were based upon the application by the First Assistant Commissioner and the Courts of a definition of the term "patent business" as used in Rule 345

which was concluded and furnished by the Patent Office. There is no statutory or regulatory definition or explanation of the term.

ARGUMENT

The uncontroverted facts pertaining to this matter are as follows:

The petitioner, George Spector, is and at all times material hereto was, a duly licensed professional engineer of the State of New York (J.A. 4). Petitioner maintained offices for his engineering practice at 233 Broadway, New York City (J.A. 5) at which place his engineering work included mechanical engineering, development of inventions and related business. (J.A. 5). Petitioner also maintained at 2323 - 64th Street, Brooklyn 4, N. Y., an office from which he conducted a limited and separate business as a "patent agent", *i.e.*, one who prepared and filed patent applications before the Patent Office. (J.A. 5, 29). Both of these businesses were separately maintained. (J.A. 5, 29) The petitioner had not prosecuted any patent applications which resulted from advertisements placed for and by his engineering practice (J.A. 5, 29). His engineering business stopped at developing inventions (J.A. 28) and included work that is sometimes partly performed by patent agents as well as by engineers (J.A. 27, 28, 30). Charge I of the Further Charges against petitioner, dated February 4, 1960, which charge alleged that petitioner falsely informed (Patent Office) officials that the advertisement shown in Exhibit "A" (J.A. 3) of the prior charges dated on November 16, 1959, (J.A. 2) had not been employed to solicit patent business, including preparation and prosecution of applications for patent, was dismissed.

(J.A. 55). Petitioner does not seek to advance the argument that the administrative agency may not inquire into the technical or professional qualifications of an applicant or licensee or to the moral character of such an individual or to his personal conduct in appearances before the agency or in cases wherein a patent agent has been retained actually to represent a client before the Patent Office and prepare an application for filing. Petitioner does, however urge that an administrative agency may not superimpose on or extend its jurisdiction and concepts to a person in relation to other matters over which the agency has no jurisdiction, nor to usurp the function of the Court in matters of interpretation and application of the general law.

Petitioner did cause the advertisements shown as Exhibits A, F, J, to be inserted in certain publications. (J.A. 4, 14).

It is further noted as a matter of uncontroverted fact in the record that engineers and other individuals, not admitted to practice before the Patent Office, perform services in connection with inventions which are done by individuals not necessarily registered with the Patent Office and related to the obtaining of patents, for example searches and engineering work in connection with the drafting of claims. (J.A. 13, 14, 27, 34)

The Patent Office Has No Authority to Issue Rules Governing the Activities of Persons Engaged in a Bona Fide Business Which Is Not Before the Commission and Which Business Is Not Antithetical to Enrollment as a Licensed Patent Agent.

It has long been established that the power and authority of the Commissioner of Patents and those public officials similarly situated to prescribe regula-

tions is founded only in statute. 42 Am. Jur. 316, § 16. With regard to the prescription of regulations, 35 U.S.C. 31 provides in pertinent part, that: "The Commissioner . . . may prescribe regulations governing the . . . conduct of agent, attorneys, or other persons *representing applicants or other parties before the Patent Office.*" (emphasis supplied). It is to be noted that the grant of power extends to regulating the conduct of those representing applicants or other parties before the Patent Office. The statute omits any reference to the prescription of rules for persons who are *admitted to practice* and addresses itself only to the active sense of *agents, attorneys* and persons *representing applicants* and others *before* the Commission. (emphasis supplied). Thus, the extent of the Rule-making power can be construed to reach only to the Commission's authority to govern what takes place in connection with the prosecution of Patent applications before that body. The grant of power to an administrative agency is much more limited than the conduct or control and regulation of professions.

An administrative agency necessarily can be concerned only with the matters properly before it. It cannot, and should not, as a matter of sound policy be permitted to extend its jurisdiction over all of a person's lawful activities; activities in which many rules, practices and jurisdictions may obtain and govern.

Recognition of the limited interpretation of agency power is to be found in Rule 341 of the Commission's Regulations wherein the Register of Qualified Persons is limited to those persons as are recognized "as entitled to represent applicants *before* (emphasis supplied) the Patent Office in the preparation *and* (emphasis supplied) prosecution of applications for

patents." It follows then that those persons who represent applicants (or others) in the preparation and prosecution of applications for patent before the Patent Office are those over whom jurisdiction is asserted by this agency. The Rule is self-limiting to extend only to patent practitioners before the Patent Office and *a fortiori* other Rules cannot go beyond this jurisdiction. Indeed, under the law applicable to the instant case, such a limitation appears to have recognition; the Patent Office on its own, dismissed Count 1 of the Charges against petitioner dated February 4, 1960 for it could be argued that if there were ever any determinable basis to the charges, then Exhibits B, C, and D, (J.A. 7, 8-9, 10) at the very least, could have been taken to form a basis to conclude that petitioner solicited "patent business" within the meaning of Rule 345 in that in these said correspondence petitioner did advertise to solicit business in connection with the engineering development of a client's invention idea prior to the filing of a patent application by the inventor himself. The failure to link the Letter (Exhibits B, C, D, J.A. 7, 8-9, 10) with Exhibit "A" (J.A. 3) at the hearing and review would not have been material under the theory espoused by the Commissioner of Patents and the Courts below as to what constitutes "patent business." No such finding of fact or interpretation was ever made.

It is submitted, therefore, that the jurisdiction of the Commissioner of Patents to prescribe regulation of the conduct of a class of individuals does not go to regulating agents in pursuits other than when they are acting before the Patent Office in the capacity as a registered agent or attorney under existing legislation. In the instant case, petitioner is engaged in a profes-

sion, licensed and regulated by the State of New York. It has never been contended that he has (a) conducted himself in his licensed profession in any unlawful or in other than a proper manner, and (b) it has never been contended that petitioner was subject to disciplinary measures by reason of his conduct as a patent agent. It can only be concluded that the Commissioner of Patents takes the position that petitioner, in properly advertising his engineering and developmental services in one business is in some manner soliciting in an improper manner "patent business" for himself as a patent agent.

The Rule of Law Asserted by the Commissioner of Patents and Approved by the Courts Below Is in Error in That It Unreasonably Deprives Petitioner of Due Process in His Right to Conduct His Engineering Business and to Act as a Patent Agent.

As noted above, persons other than those registered with the Patent Office perform services and work in connection with the development of invention ideas in order to prepare them so that an inventor may seek patent protection, or even to determine if such protection may be available. These services are separate, non-professional; usually technical, but nonetheless vital to the inventor and are performed by those who may be other than members of the Patent Bar. The record discloses (J.A. 27, 28, 34) that many corporations and businesses hire professional engineers to perform those functions on a full-time or staff basis which petitioner, Spector, conducts on a public basis from his Woolworth Building Office. Indeed, not every patent attorney has the qualifications of an engineer. (J.A. 28)

To attempt to do what the Commissioner of Patents here seeks to accomplish is to establish a Rule of Law

that because petitioner is registered as a patent agent before the Patent Office, he may not, as has been his established right for many years, solicit for his engineering business. This contention is of a completely arbitrary nature since it disqualifies petitioner from remaining a patent agent and engaging in his other lawful occupation which he has maintained as a separate business. (J.A. 5, 29). It has long been recognized that a business or occupation is a property right which is entitled to protection. See, *Louis K. Liggett Co.* v. *Baldridge*, 278 U.S. 105, 73 L. Ed. 204, 49 S. Ct. 57 (1928); *New State Ice Co.* v. *Liebmann*, 285 U.S. 262, 76 L. Ed. 747, 52 S. Ct. 371 (1932).

Although petitioner is a non lawyer and the concept with which here the Court is confronted does not involve the commonly accepted impositions of legal professional ethics, inasmuch as appellee seeks to focus in many aspects, identical standards and precedents upon petitioner and because so much of the considerations of the courts have involved attorneys, it seems pertinent to indicate that the lawyer who often finds himself required to engage in non-legal, commercial endeavors in order to support himself and that in so doing, has on occasion had to come to grips with the problem of compliance with the strict requirements of the Canons of Legal Ethics and the insistant demands of the market-place, and in endeavoring to resolve the two has been confronted with disciplinary action by the Courts. In the often cited case of *Re William A. Thiboau* (Mass.), 3 N.E. 2d 749, (1946), 106 ALR 542, the Supreme Judicial Court of Massachusetts recognized the salutary Rule in discussing the right to regulate an attorney's professional conduct that:

> "On the other hand commonly a member of the Bar is free to engage in commercial pursuits of an

honorable character and to advertise and to extend his purely mercantile business honestly and fairly by ordinary commercial methods."

It is respectfully submitted, therefore, that any interpretation of Rule 345 and the law pertaining thereto, that any solicitation of business, admittedly connected with the process of developing inventions which may or may not be patentable, but not actually concerned with appearing before, or representation before the Patent Office, or obtaining a patent before the Patent Office, deprives the petitioner of his right to employ not only his qualifications as a patent agent, but also his efforts as a licensed professional engineer. It is the petitioner's right to engage in both types of activity so long as the lawful pursuit of his engineering business is not used for the actual solicitation of the business of representing inventors before the Patent Office, there is no conflict between these two legitimate and honorable callings and none has been established. The logical extension of the rule sought to be enforced herein is that all persons who are soliciting patent business before the Patent Office and may be performing supplemental services which some patent agents or attorneys could not provide are subject to the Patent Office's regulation with respect to matters which are not within the jurisdictional concern or province of that agency. This concept could well be a stepping stone to try to change the nature of the patent business and services performed in connection therewith as it has evolved and is firmly rooted in the business life of this country. If services such as petitioner performs are patent business and preparation of patent applications then persons not registered would be subject to criminal prosecution under 35 U.S

33. It is therefore submitted that the Commissioner of Patents and the Courts below erred in the application of a Rule of Law which concluded that the appellant was guilty of misconduct for advertising a business which he carried on separately, distinctly and in a non-interrelated manner.

Patent Office Rule 345 Is Violative of Due Process in that It Sets Forth Vague and Insufficient Standards.

Such business or commercial ventures as have been carried on during the long history since the establishment of the Patent Office have of necessity had inherent and overlapping functions between all of the individuals whose efforts must be employed between the conception of a possibly patentable idea and the issuance of letters patent. There are qualified agents and patent attorneys who actually practice before the Commissioner of Patents and many persons who perform preliminary or detailed searches, construct models, make engineering surveys, analysis, development, those who make mechanical drawings and an infinite variety of services required. All of these various separate functions are connected with the business of obtaining a patent in the broadest sense. However they may overlap, they are nonetheless distinguishable from the carrying out of patent business by means of appearing in a representative capacity before the Patent Office. The Commissioner of Patents has not sought to regulate the activities of the many offerors of services as typified by the advertisements shown in Exhibits E, F, and A (J.A. 11, 12, 3) who perform many of these related services. Such persons are not required to register or enroll themselves at the Patent Office and are free to solicit business. Therefore, when such a person, who is a registered agent,

also conducts a separate service business which provides the aforementioned related services (but not services which come before the Patent Office in a *representative capacity*), the mere inclusion by the Patent Office in Rule 345 of the term "patent business" is arbitrary because of its vagueness; it makes no distinction or any delineation as to what constitutes "patent business" insofar as the patent agent or attorney is concerned. There is no guideline established as to how such person may conduct himself in some ancillary occupation and act in any capacity other than that of agent or attorney before the Commission and no mechanism is set up by which guidance may be obtained. Rule 345 as it stands, is a trap for the unwary being susceptible to no objective standards of interpretation or rule of general application in the context of the broad patent field. It is submitted that the mere proscription of a solicitation of "patent business" is too broad and too vague for a patent agent or attorney reasonably to guide his standards of conduct in other related pursuits; the rule as interpretated now by the Commissioner of Patents and the Courts below does not define the area in which patent practitioners who are otherwise qualified to perform related services may engage in their business and the common practices thereunder without subjecting themselves to disciplinary action within said rule. To the end that vagueness of the nature set forth above constitutes a violation of due process, see, *Yu Cong Eng* v. *Trinidad*, 271 U.S. 500, 70 L. Ed. 1059, 46 S. Ct. 619; (1926); *Connally* v. *General Construction Co.*, 269 U.S. 385, 70 L. Ed. 322, 46 S. Ct. 126 (1926).

Evidence Adduced at the Patent Office Hearing of Petitioner Was Insufficient to Establish the Requirements of Due Process so as to Prove the Charges of the Commissioner of Patents.

The Commission and the Courts below erred in their determination that the advertisements (Exhibits A, E and F) (J.A. 3, 11, 12) were on their face, a solicitation of "patent business." The portions of the advertisements which allegedly proved a solicitation of "patent business" were taken out of context and did not in any instance refer to the procuring of or preparation and filing and making of applications for patents and in their context were always modified by the fact that petitioner held himself out to the public in the offering of his services only as a licensed professional engineer. Petitioner submits that to say that words which describe what a licensed professional engineer could do for an inventor is to be held to be a solicitation of "patent business" for petitioner's separately maintained business of acting as a "patent agent" is erroneous in the absence of establishment of a direct connection. No such connection was ever established and, at the time of petitioner's hearing, the initial charge pertaining thereto was dismissed. (J.A. 55)

Petitioner therefore submits that evidence adduced at the aforementioned hearing does not tend to establish any misconduct by the petitioner in connection with his carrying out of his business as a registered patent agent since his advertising is connected only with his separate engineering business. To say that the evidence adduced does any more than that is clearly erroneous. Petitioner is denied his due process if such inadequate and insufficient evidence is to be used as a basis for holding that he represented himself to the public as carrying on a "patent business" as a patent agent.

The Order of the Commissioner of Patents No. 5308, dated on August 10, 1960, Is Violative of Due Process and Is Arbitrary and Should Have Been Reversed on Review in that It Was Not in Conformity With the Decision of the Commissioner of Patents Dated June 30, 1960.

Petitioner, by order, dated August 10, 1960, was excluded from practice for one year and thereafter would be permitted to make a new application *de novo* (J.A. 57); the effect of such order was to disbar and exclude petitioner from practice before the Patent Office. The issuance of such order was not only arbitrary because of the lack of evidence to support the charge and unnecessarily harsh, because the instant case was one of first impression on a newly adopted and vague rule, but the order was arbitrary and violative of due process on its face because it went beyond the decision dated June 30, 1960 and was not in conformity with said decision; and no further hearing was had to establish grounds for the enlargement. Under 35 U.S.C. 32, the Commissioner has the power to either suspend or expel but herein he first did the one and later issued the order doing the other without further hearing.

The decision called for only a suspension of one year which would mean automatic reinstatement at the expiration of the suspension (J.A. 56); the order exceeded this, went further and was, in effect, a disbarment.

It is submitted that the Courts below, in review, further erred in not correcting this defect when they summarily upheld the Patent Office Order.

CONCLUSION

It is respectfully submitted that the courts below erred in affirming the order of the Assistant Commissioner of Patents as a matter of law and effectively denied petitioner of his constitutional rights to due process.

Respectfully submitted.

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